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DE RUEHC #9855/01 0811912  
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FM SECSTATE WASHDC  
TO RUEHVT/AMEMBASSY VALLETTA IMMEDIATE 6170  
INFO IRAN COLLECTIVE IMMEDIATE  
RUEHLO/AMEMBASSY LONDON IMMEDIATE 5841

S E C R E T SECTION 01 OF 02 STATE 029855

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E.O. 12958: DECL: 03/21/2018  
TAGS: [KNNP](#) [IR](#) [EFIN](#) [PARM](#) [PGOV](#) [ETRD](#) [UK](#) [MT](#)  
SUBJECT: UK-BASED IRANIAN BANKS ATTEMPTING TO ACCESS  
MALTA,S EURO PAYMENT SYSTEM

REF: A. REF A: VALLETTA 000089  
[1](#)B. REF B: STATE 29096

Classified By: EUR/PRA Office Dir A Friedt for reasons 1.4 (b) & (d)

[1](#)1. (U) This is an action request. Please see paragraph 4.

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SUMMARY  
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[1](#)2. (S) Malta's Ministry of Finance conveyed its concerns regarding attempts by two banks located in the United Kingdom, Melli Bank PLC, a wholly-owned subsidiary of Bank Melli Tehran, and Persia International Bank PLC, a subsidiary of Bank Mellat Tehran, to access Malta's Central Bank Euro payment system (ref A). As major European banks have moved to cut off or limit their ties with Iran, Iranian banks are likely to look to smaller but well-connected jurisdictions like Malta to meet their financial services needs.

[1](#)3. (U) Bank Melli was singled out in UNSCR 1803, which calls for vigilance against all Iranian banks, as an entity of particular concern due to its involvement in transactions supporting proliferation-sensitive activities. Melli Bank PLC and Persia International Bank PLC were designated by the U.S. under E.O. 13382 ("Blocking the Property of Weapons of Mass Destruction Proliferators and their Supporters") on 25 October 2007 for being owned or controlled by Bank Melli and Bank Mellat, respectively. Bank Melli was designated for providing banking services to entities involved in Iran's nuclear and ballistic missile programs, including entities sanctioned by the U.N. for their involvement in those programs. Bank Mellat was designated for providing banking services in support of Iran's nuclear entities, including the Atomic Energy Organization of Iran (AEOI) (AEOI is sanctioned by the UN, under UNSCR 1737, 23 December 2006). Further, Bank Mellat services and maintains accounts to Novin Energy Company, which has moved millions on behalf of AEOI and is sanctioned under UNSCR 1747, 24 March 2007. Bank Mellat has facilitated the movement of millions of dollars for Iran's nuclear program since at least 2003. (A Fact Sheet on the designations of Bank Melli and Bank Mellat can be found at [http://www.treasury.gov/offices/enforcement/o\\_fac/](http://www.treasury.gov/offices/enforcement/o_fac/).)

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OBJECTIVES/ACTION REQUEST  
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[1](#)4. (S) Washington requests Post meet with appropriate host government officials in the foreign affairs and finance ministries to pursue the following objectives. Post may draw from points included in STATE 29096 (ref B).

-- Welcome Malta's request for U.S. support in addressing Maltese concerns regarding Iranian efforts to evade sanctions

imposed on its financial sector.

-- Encourage Malta to take all available precautions to protect Malta's financial sector from Iranian deceptive practices, to include denying access to the Iranian banks seeking to use Malta's Euro payment system, consistent with UN and FATF actions.

-- Recommend that Malta issue a warning to its financial institutions to remain vigilant not only to activities of Iran's state-owned commercial banks, but to all Iranian financial institutions, including the Central Bank of Iran, and advising them of the risks of doing business with Iran. The U.S. Treasury Department's advisory can serve as an example (found at: [www.fincen.gov/guidance/fi\\_increasing\\_mlt\\_iranian.html](http://www.fincen.gov/guidance/fi_increasing_mlt_iranian.html)).

-- Encourage Malta to engage the United Kingdom on these transactions and Maltese concerns.

-- Request Malta's permission for the U.S. to engage the UK on these activities, in support of Malta's effort to avoid becoming a haven for illicit Iranian financial activities.

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REPORTING DEADLINE  
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15. (U) Post should report results within one week of receipt

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of this cable. Please slug replies for ISN, T, TREASURY, EUR and NEA. Please include SIPDIS in all replies.

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POINT OF CONTACT  
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16. (U) Washington point of contact for follow-up information is Michelle New, ISN/CPI, (202) 647-0186, [newml@state.sgov.gov](mailto:newml@state.sgov.gov).

17. (U) Department thanks Posts for their assistance.  
RICE